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Streamlining the Application Process for Safety Net Programs Will Increase Participation and Benefit More Eligible Marylanders

Position Statement Supporting Senate Bill 26

Submitted to the Senate Finance Committee

Thousands of low-income Marylanders rely on safety net programs to meet their health, food, energy and basic needs. Their ability to apply for and receive these benefits is not only beneficial to them personally but also to Maryland's economy. However, many Marylanders do not receive the benefits of these effective anti-poverty tools even if they are eligible. **The Maryland Center on Economic Policy supports Senate Bill 26 because it will ultimately ensure more eligible Marylanders receive the benefits they need.**

Maryland families eligible for social safety programs such as the Supplemental Nutrition Assistance Program (SNAP), Temporary Cash Assistance (TAC), Medicaid, and Supplemental Security Income (SSI), have to fill out multiple applications annually across different agencies to obtain benefits. This can be a tedious and burdensome process often resulting in loss of qualified benefits or inability to renew. This duplicative and complicated process means that often qualified beneficiaries of these social safety programs are failing to apply for, or renew Medicaid or energy assistance benefits¹.

SB 26 will create an Express Lane Eligibility that will automatically grant Medicaid eligibility to children and adults whom SNAP has already found to be low-income. It will automatically enroll Marylanders who qualify for SNAP, TAC, SSI, or means-tested utility assistance for veterans, and support seniors by automatically enrolling them for SNAP if they qualify for SSI. This bill will also increase the Electric Universal Service Program (EUSP) eligibility income limit from 175% to 200% of the Federal Poverty Level, matching other basic assistance programs offered by the Department of Human Services for low-income families.

It is important to ensure all eligible Marylanders receive the safety net benefits they need because they can have a significant impact on people's lives. Of the 30 percent share of income that households spend on housing, 20 percent is spent on energy costs alone.² Receiving energy assistance can often determine if a family maintains housing, has enough to eat or even remains healthy. This is why it is important that families who qualify are able to apply and that the process is simple and not lengthy or cumbersome.

In Maryland, households at 175% of the federal poverty level – with income below \$38,000 for a family of three, for example – spent an average of 14% of their income on energy costs, but with the help of Maryland

Commented [K1]: Edited to provide context and reduce jargon. I used 2020 FPL since the data is from 2020.

Energy Assistance Program (MEAP) and EUSP benefits their net energy burden (the percent of income spent on energy costs) fell to 9% during 2020. For households up to 200 percent of the poverty level, the average gross energy burden was 12%, while households between 176% and 200% of the FPL had an energy burden of 7%.

Thousands of Maryland's low-income children also remain uninsured even though they qualify for Medicaid and CHIP. Adopting Express Lane Eligibility will increase healthcare access for eligible children by expediting and simplifying the application process by relying on findings from other eligibility determinations. ELE has also proven to reduce administrative burdens and increase savings to the agencies that administer the programs.³

At a time of high inflation and energy costs, low-income Marylanders need support in order to meet their needs and care for those who depend on them. Ensuring that the application process for safety net benefits is smooth and less complicated would guarantee that most qualified Marylanders do not miss out on these resources.

For these reasons, the Maryland Center on Economic Policy respectfully requests that the Finance Committee make a favorable report on Senate Bill 26.

Equity Impact Analysis: Senate Bill 26

Bill summary

Senate Bill 26 ensures that more Marylanders who qualify for safety net programs – such as Medicaid, Supplemental Nutrition Assistance Program (SNAP), and energy assistance programs – do not miss out on them or lose them by streamlining the process by which people sign up for assistance. It will also establish categorical eligibility, which means one application process will allow an individual to enroll in all services for which they are eligible.

Background

Currently, Marylanders who are eligible for safety net services have to constantly complete and renew multiple applications which are reviewed by different agencies. This is a duplicative, lengthy and burdensome process for both the applicant and State agencies. As a result, many Marylanders are not receiving or not renewing Medicaid or energy assistance benefits. A majority of the documents needed to verify energy assistance income-eligibility are also collected for SNAP or Temporary Cash Assistance. Yet 30,000 SNAP households who claim a heating or cooling expense do not receive Energy Assistance. Similar documents are needed for Medicaid enrollment. Based on Census Bureau data for 2021, 65,000 uninsured state residents receive SNAP—nearly one in five uninsured Marylanders (17%)⁴.

Equity Implications

- Black and Latinx households are far more likely than white households to earn poverty-level wages and are therefore more likely to qualify for safety-net benefits. While state and federal safety-net benefits serve a larger number of white households than households in any other racial or ethnic group, they serve a larger proportion of people of color.

- Social safety nets also have a disproportionate positive impact in reducing poverty rates among households of color.⁵

Impact

Senate Bill 26 would likely **improve racial and economic equity** in Maryland.

¹ Bennett Leckrone, “Utility Bill Aid Available, But Some Don’t Know They Qualify”, Maryland Matters, Feb.10, 2021. [Utility Bill Aid Available, But Some Don’t Know They Qualify - Maryland Matters](#)

² Office of People Counsel, “Maryland Low-Income Market Characterization Report”, 2022 Report Update. September 2022 https://opc.maryland.gov/Portals/o/Files/Publications/Reports/Maryland%20Low-Income%20Market%20Characterization_September%202022%20final.pdf?ver=7fFmfM9UomFT8s81cHe6HQ%3d%3d

³ Suzanne Murrin, “State Use of Express Lane Eligibility for Medicaid and Chip Enrollment.” Department of Health and Human Services, Office of Inspector General. Oct. 2016. <https://oig.hhs.gov/oei/reports/oei-06-15-00410.asp>

⁴ Steven Ruggles, Sarah Flood, Ronald Goeken, Megan Schouweiler and Matthew Sobek. IPUMS USA: Version 12.0 [dataset]. Minneapolis, MN: IPUMS, analysis from 2021 American Community Survey, Public Use Microdata Sample (PUMS)

⁵ Danilo Tirisi and Matt Saenz “Economic Security Programs Reduce Overall Poverty, Racial and Ethnic Inequities,” Center on Budget and Policy Priorities, Jul. 1, 2021. <https://www.cbpp.org/research/poverty-and-inequality/economic-security-programs-reduce-overall-poverty-racial-and-ethnic>